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have that option with the funds. He is mandated. He is mandated to join the retirement system. He must put his money in retirement. He can not say, and a lot of teachers have asked to get out of it, particularly the young ones, because the young ones certainly probably need all the money they have. But the system is mandated on them. You have no choice of what happens to that 3 1/2% of your money. That must be placed in with the state, and the state subsequently invests it. The investment is getting a little better now. At one time, it was 4%. If you put your money in and you withdrew it, you only got 4% on your money on previous year's balance which everybody figured even at the Sioux City bank you could get better interest than that.

SENATOR MURPHY: Make that South Sioux.

SENATOR F. LEWIS: One of those places.

SENATOR MURPHY: Senator Lewis, I would assume that your mandated system, and that is a word I detest in any context, but, nonetheless, I would think that the state retirement system would most certainly qualify as an IRA account and thereby make it tax exempt so that the teacher would have the benefit of it. I can't believe that this is not available to them in that specific category.

SENATOR F. LEWIS: All I know, Senator Murphy, is that the money is not tax exempt, that the employee pays taxes on that, federal taxes, state taxes, social security. He does not have the choice other than being in that, and based on my knowledge, there is no other way to make that a tax exempt situation other than by the method we are proposing at this particular point.

PRESIDENT: The question is the advancement of the bill. Is there any close, Senator Lewis?

SENATOR F. LEWIS: Mr. Chairman, I would, since there have been several questions raised. I want to reemphasize one more time. This is permissive legislation for the local school districts. Now there is a lot of you that don't trust those local school boards in your district, I guess, and I think those elected officials ought to take note of that. Secondly, this simply says that the money may be paid by the school district and it is for the purpose of a tax break. That is going on in a lot of fringe benefit areas now. Again, I point to the school district that is in my district that gives the employee the option of either taking Blue Cross and Blue Shield or he is given exactly that same amount of money in salary. Of course, the advantage there is that the Blue Cross and Blue Shield is nontaxable. Now I would be the first in line if there are those that want to clean up all exemptions to make sure that everybody pays and we will see a lot of those bills with exemptions floating across this board this time. Senator Murphy, they will have ten times even the six million dollars you brought up in terms of exemptions and I know that